



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

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Second District

ZEV YAROSLAVSKY
Third District

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MICHAEL D. ANTONOVICH
Fifth District

December 3, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

STRENGTHENING COUNTY HOMELESS COORDINATION – STATUS UPDATE

On November 17, 2009, your Board instructed the Chief Executive Office (CEO) with assistance from the Departments of Children and Family Services (DCFS), Health Services (DHS), Mental Health (DMH), Public Social Services (DPSS), Community Development Commission (CDC), and the Los Angeles Homeless Services Authority (LAHSA) to develop recommendations on how to strengthen the CEO's ability to oversee, coordinate and integrate Countywide homeless service delivery so that homeless individuals and families can more successfully find safe and permanent housing and to report back in 30 days with findings and recommendations. Our December 30, 2009 response (Attachment I), presented three main recommendations to strengthen the County's homeless strategy: 1) leverage funds to maximize resources; 2) coordinate a regional approach among partners; and 3) address cost avoidance. This status update reports the progress to date and also discusses some of the federal policy and planning implications that are currently impacting homeless funding and corresponding activities.

Leverage Funds to Maximize Resources

Staff of the Service Integration Branch (SIB), DHS, and DMH in partnership with LAHSA and Corporation for Supportive Housing continues to work with the City of Los Angeles (City) Housing Department and CDC to develop strategies to leverage housing resources with County services. The Special Needs Housing Alliance members have initiated measures to strategically align and maximize the CDC's, City's and other cities' housing resources with County and other services by conducting Project Review

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Committee (PRC) meetings. These meetings provide the opportunity for housing providers and developers to present housing projects in their pipeline and to receive technical assistance from staff of County departments and appropriate City agencies. While the PRC meetings allow opportunities for housing providers and developers to have better access to existing services resources, potential collaborations and partnerships for integrated services, the PRC meetings also allow our County departments to hear of new housing for their particular target populations. There are opportunities for County departments to offer services for the residents in exchange for securing housing for their target population(s).

Based on what was learned by Project 50 and other permanent housing projects that have been implemented in the past few years, our CEO homeless coordinator and key staff of multiple County departments have been meeting with various community leaders and non-profit groups to help them develop the local infrastructures for providing integrated services to meet the needs of homeless both within their clinics and in housing programs. In addition, due to much of this work and with reports such as the Adult Linkages Project (ALP), we have learned that we must determine which clients should be targeted for housing during the design and development phase of housing projects and what services would be best suited to meet the needs of the target population. This presents opportunities to work with the City, CDC, and other community partners to get our most cost intensive clients off the streets and out of shelters and into permanent housing with supportive services. This we know results in significant cost avoidance. In an effort to align our service resources with permanent housing resources, staff is in discussion with City and CDC about establishing a Memorandum of Understanding for how alignment could be structured within this jurisdiction. Any agreements would be brought to your Board for consideration.

DMH has significantly contributed to the number of permanent supportive housing units being developed in Los Angeles County with large commitments from Mental Health Services Act (MHSA) funding to develop new housing and provide services to the homeless individuals with serious mental illness and their families who move into the housing units. As of November 4, 2010, DMH has committed approximately \$112 million of MHSA Housing Program funds for capital development and operating subsidies for the development of 716 units of permanent supportive housing for individuals with serious mental illness and their families. DMH has also committed to provide mental health services to the tenants of the units developed through the MHSA Housing Program. With the MHSA Housing Program commitments, DMH is leveraging approximately \$408 million or 4:1 ratio for the development of new permanent supportive housing in Los Angeles County.

In addition, our office has met with the executive team of the Department of Public Health's Substance Abuse Prevention and Control to explore the alignment of MHSA and other resources with a portion of their substance abuse treatment block grant funding to target homeless populations. The current permanent supportive housing pipeline includes approximately 300 units targeting chronically homeless individuals that include a commitment for MHSA services. Most of these units will begin leasing in late 2011, early 2012. The goal is that integrated substance abuse and mental health services will be made available for these 300 permanent supportive housing units to ensure that our most vulnerable and chronically homeless, mentally ill and frequent users of emergency services can be housed and stabilized. This arrangement would provide us with a template for future leveraging and alignment of housing and service resources. The potential for carve-outs or incentives for physical health, mental health and substance abuse treatment allows us to use existing mainstream systems of care to meet the service needs of persons in permanent supportive housing.

Efforts to partner Federally Qualified Health Centers (FQHCs), DMH certified mental health providers and substance abuse service providers throughout the County and align providers with housing opportunities have been productive. These collaborative partnerships are intended to provide the infrastructure for sustainable integrated supportive services in a variety of housing options. Integrated health and mental health partnerships that have been implemented or are in the process of development include San Fernando Valley Community Mental Health Center and Northeast Valley Health Corporation; Community Health Alliance of Pasadena and Pacific Clinics; JWCH Institute Inc., (JWCH) with Rio Hondo Mental Health Center; LA Christian Health Centers in collaboration with Gateways Hospital and Mental Health Center, Inc., Telecare Corporation (Telecare), Anne Sippi Clinic, and Special Services for Groups Institutions for Mental Disease (IMD) Step-down Programs and Full Service Partnerships; and the California Department of Corrections and Rehabilitation and Telecare's State prison re-entry program entitled LA CORE. Additionally, other integrated supportive service models aligned with permanent housing programs utilizing various streams of funding and leveraging opportunities include the Carver Hotel partnership with JWCH, Telecare, and Skid Row Housing Trust; San West, a development of A Community of Friends, in collaboration with SSG and T.H.E. Clinic; Casa Dominquez, a development of Abode Communities, in partnership with St. John's Health Clinics and United Friends of the Children; and JWCH and Mini 12 Step Program. A significant benefit of these collaborative partnerships is the emphasis on FQHCs and the integrated physical health, mental health, and substance abuse services that are envisioned for Health Care Reform.

Another opportunity for leveraging funding is the DMH MHSa Innovations Plan, which includes two models aimed at integrating physical health, mental health and substance abuse services that will greatly impact the care of homeless individuals with mental illness and families. The Clinic Model supports mental health and substance abuse services being offered within primary health care settings. The Mobile Health Teams for homeless will offer an integrated team to target street-based and shelter based homeless to obtain permanent housing and to continue providing the mobile support services until individuals are able to transition to other mainstream community based service providers. Requests for Services for the Innovations clinic Model and Mobile Health Teams should be released by DMH within the next few months. The County's Homelessness Prevention and Rapid Re-Housing Program (HPRP) began on October 1, 2009, and is administered by the CDC, as of August 31, 2010. The HPRP, which serves the recently homeless or those at risk of becoming homeless, has provided 542 households with assistance. CDC has also agreed to include individuals and families who are on CalWORKs or on General Relief as long as they are not receiving rental assistance elsewhere. Although HPRP does not target the chronically homeless, this expansion should prevent many individuals and families from becoming chronically homeless in the future.

Coordinate a Regional Approach

On July 16, 2010, our office hired Elizabeth Boyce as the new homeless coordinator. Ms. Boyce had been the homeless coordinator for DHS since 2004 and consequently brings much experience to her new position. She has been a vital member of various homeless workgroups and efforts to mobilize resources for homeless individuals and families. She implemented a community wide strategic planning process in 2005 that culminated in the formation of United Homeless Healthcare Partners. In addition, Ms. Boyce has been central in working with County departmental representatives to identify existing service providers and to encourage the partnerships described above. Ms. Boyce was selected by the United States Interagency Council on Homelessness (USICH) to participate in a discussion on October 21, 2010, at the Center for Medicaid and Medicare in Baltimore on how communities are providing integrated service models within permanent supportive housing venues. There were eight individuals invited to this forum. Ms. Boyce represented the County and was selected because the County is recognized for our leadership in leveraging mainstream systems of care to provide integrated services for chronically homeless.

In our May update, we informed you of the United Way and the Los Angeles Chamber of Commerce Business Leaders Taskforce (Taskforce) on Homelessness. On November 9, 2010, the Taskforce released an action plan for ending chronic and veteran homelessness in the County entitled "Home for Good." This plan includes business leaders, philanthropic, governmental, and non-profits as responsible entities

for the implementation of the plan. The recommendations that most impact the County are as follows: prioritization be given to the most vulnerable and costly chronically homeless individuals; support of the creation of supportive housing in every community; establishment of Memorandums of Understanding between local cities and the County to dedicate and align funds for permanent supportive housing. Specifically, the plan requests that the County "identify and allocate a portion of existing Departmental funding streams for mental health, health, and substance abuse services in permanent supportive housing."

In addition, the Taskforce continues to pursue getting the 30-year-old McKinney-Vento funding formula changed, which will help ensure the County receives its fair share of federal U.S. Department of Housing and Urban Development funding. A decision on this change must be made by spring 2011.

Address Cost Avoidance

In our previous update, we reported that our Research and Evaluation Services ALP cost avoidance analysis is scheduled to be completed by June 2011. In addition, it is anticipated that the Project 50 cost analysis is scheduled to be completed in winter 2011. The national and local research to date makes clear that providing permanent housing with needed supportive services to the chronically homeless results in significant cost avoidance.

Due to difficult economic times, even more individuals and families are in danger of homelessness. It is now more critical than ever to find efficiencies and to better coordinate and align our existing and reduced resources to help serve this population. We have made much progress towards building regional infrastructures for developing/increasing housing solutions for homeless. One very encouraging sign that we are moving in the right direction despite the poor economy is that the CDC received double the number of proposals for new housing developments during their recent Notice of Funding Availability as was submitted last year. This is likely due to the increased focus that County departments, CDC and LAHSA have given to aligning County and community-based services with permanent housing opportunities.

Finally, this past spring, the USICH released "Opening Doors, the Federal Strategic Plan to Prevent and End Homelessness." This plan identifies the following objectives: 1) increase leadership, collaboration, and civic engagement; 2) increase access to stable affordable housing; 3) increase economic security; 4) improve health and stability; and 5) retool the homeless crisis response system. In review of all of the activities described within this update, under your Board's leadership, it is clear that Los Angeles County is certainly on the right track.

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Please note that since many of the one-time Homeless Prevention Initiative (HPI) programs are wrapping up, staff will no longer be preparing HPI quarterly reports. Instead, we plan to provide updates on HPI activities within this Strengthening County Homeless Coordination Initiative.

If you have any questions, please contact me or your staff may contact Kathy House at (213) 974-4530 or via e-mail at khhouse@ceo.lacounty.gov.

WTF:KH
EB:am

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Sheriff
Children and Family Services
Community Development Commission
Health Services
Mental Health
Public Health
Public Social Services
Housing Authority of the City of Los Angeles
Los Angeles Homeless Services Authority
Los Angeles Housing Department
Skid Row Housing Trust

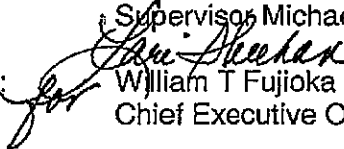


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December 30, 2009

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STRENGTHENING COUNTY HOMELESS COORDINATION

On November 17, 2009, your Board passed a motion instructing the Chief Executive Office (CEO) with assistance from the Departments of Children and Family Services (DCFS), Health Services (DHS), Mental Health (DMH), Public Social Services (DPSS), the Community Development Commission (CDC), and the Los Angeles Homeless Services Authority (LAHSA) to develop recommendations on how to strengthen the CEO's ability to oversee, coordinate and integrate Countywide homeless service delivery so that homeless individuals and families can more successfully find safe and permanent housing and to report back in 30 days with findings and recommendations. In response, this report makes three main recommendations to strengthen the County's homeless strategy: 1) leverage funds to maximize resources; 2) coordinate a regional approach among partners; and 3) address cost avoidance.

Leverage Funds to Maximize Resources

Your Board requested that the report provide recommendations on how to better leverage existing County funds and better maximize Federal and State dollars to support the ongoing provision of integrated physical and mental health and substance use services for homeless individuals and families, especially within existing and future permanent housing settings. Your Board also instructed us to suggest creative funding methodologies to ensure that homeless efforts can be sustained, including a report back on the feasibility of designating a portion of program funds and contracts for homeless related services and enhanced coordination.

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As reported in our November 6, 2009, Project 500 Feasibility Report update, our office convened and began chairing a sub-workgroup comprised of representatives from the Special Needs Housing Alliance (SNHA) on September 21, 2009 to explore these very issues. Per your Board's instruction, we have now increased participation on the workgroup by including representatives from the departments and agencies mentioned above that had not been participating previously and that have expertise in services for homeless and/or local, State, and Federal funding sources that serve homeless persons. The purpose of this workgroup is to collectively make recommendations regarding the identification of integrated projects, as well as the funding, planning, and implementation of these ideas into results.

Some of these projects include Housing First models that align housing with services. An example of a major resource leveraging effort the workgroup continues working on is the Skid Row Housing Trust's (SRHT) Charles Cobb Apartments (Cobb Apartments) project. As we mentioned in the November 6, 2009 update, SRHT has 74 units at the Cobb Apartments, scheduled to open January 2010. The Housing Authority of the City of Los Angeles has requested permission from the U.S. Department of Housing and Urban Development (HUD) to move the existing Project 50 clients to the Cobb Apartments. The remaining 24 vacancies at the Cobb Apartments would then also be filled with individuals identified as the most vulnerable homeless in Skid Row.

By moving the Project 50 clients to the Cobb Apartments, the County will be able to sustain and expand the program. While DMH has agreed to continue their services to the Project 50 population indefinitely and the Department of Public Health (DPH) has agreed to continue their services to this population through June 2011, additional funding would be needed for health services provided by John Wesley Community Health (JWCH Institute, Inc.). These health costs can be covered by unspent Project 50 resources, resulting in no need for additional net County cost (NCC). If HUD approves the move, the SRHT will let the integrated services team offices move to the Cobb Apartments rent free.

The SRHT has also agreed to leverage a recent Substance Abuse and Mental Health Services Administration (SAMSHA) grant awarded to SRHT to backfill the vacancies created by Project 50 clients by filling those vacancies with chronically homeless individuals and providing services using the SAMHSA grant funding. The SAMHSA grant will fund supportive services in housing for an additional 100 chronically homeless individuals without increasing costs to the County. Additionally, the Cobb Apartments project was in part funded by the Mental Health Service Act (MHSA) Housing Program for capital development for 25 units. These 25 units will be dedicated to the expansion of Project 50, however, all of the clients using the 25 units must meet MHSA eligibility criteria.

In addition, the workgroup is continuing to work with JWCH to determine how to make the Federal Qualified Health Center (FQHC) model self-sustainable. In order to draw down the State and Federal funding, clients need to be Medi-Cal eligible. As the number of clients in a program increases and more clients are Medi-Cal eligible, the FQHC is able to offset its

costs by the higher revenues it generates for every clinic visit. As this is a relatively new design for us, we are making some assumptions as to what the blend of Medi-Cal eligibles needs to be for the program to become self sustaining. We do not have an answer to this question as yet; however, the gap funding needed from NCC continues to be reduced as more participants are enrolled as Medi-Cal clients. In addition, JWCH has applied with the State to increase their billable rate that would generate additional revenue. They expect a decision from the State within the next year.

Another very promising leveraging opportunity was suggested by the DMH representative on the workgroup. The proposal is to leverage services from a MHSA Full Service Partnership (FSP) contractor with a SRHT project at the Carver Hotel located in the downtown area outside of Skid Row. FSPs represent a great opportunity for leveraging resources. Fifty-one percent of MHSA funding is set aside for FSP slots. FSP providers frequently experience difficulty identifying housing for the seriously mentally ill clients they serve. By leveraging the FSP services with the SRHT housing resources, we are maximizing resources to serve this population. DMH is working with the FSP and SRHT to develop a proposal for your Board's consideration.

The DMH in collaboration with CDC is setting aside four Shelter Plus Care certificates awarded to DMH for the West Hollywood replication of Project 50. Currently, one application is in process from this project.

Our office recently met with United Way (UW) who is interested in working with the County and its partners towards increasing permanent supportive housing. The UW, in partnership with the Los Angeles Chamber of Commerce, is co-chairing the Business Leaders Taskforce. This taskforce includes 22 business leaders Countywide. We have invited the UW to join the SNHA. The UW will be presenting at the January 2010 SNHA meeting and at the Homeless Deputy meeting this month to share their vision with your deputies. In addition, representatives from the workgroup have been meeting regularly with representatives from the City of Los Angeles (City) and the philanthropic organizations who are anxious to partner with the County on homeless issues. For example, the Hilton Foundation has identified programs serving chronic vulnerable homeless as one of their funding priorities. The workgroup will continue building its relationship with other public and private partners to identify leveraging opportunities and set a plan of action.

The workgroup is also recommending that your Board consider setting a policy that would either set-aside some portion of appropriate funding sources, prior to the County departmental services going out for competitive bid, and/or incentivize providers to serve this population by awarding extra points to proposals that prioritize services for homeless individuals and families where applicable, and aligning those services with available housing resources. Funding sources that were identified for your consideration include Public Private Partnerships to address health needs, MHSA appropriate or applicable plans to address mental health issues, and substance abuse funding. The workgroup is

developing generic integrated service models and estimated costs to serve special need populations for budget planning purposes. The workgroup also recommends that incentives be identified to increase the pool of developers that are willing to develop special needs and affordable housing units, especially for areas of the County where there is the greatest need.

Another resource opportunity that the workgroup recommends exploring is the potential excess rental funds for project-based, affordable housing units whose construction was funded with either City or County funds. CDC suggested that excess funds be made available for case management activities that may not currently have a funding source to draw down. CDC was a helpful addition to the workgroup as they provided important resource information about the availability of funding that developers receive from various public funding agencies that can be used for "Service Coordinator Costs" activities. The costs for case management activities have been challenging as prior to learning this, no funding source had been identified for those activities.

The City has demonstrated their willingness to work with the County to leverage its housing resources with our services. They recognize that the County needs to be at the table prior to their release of Requests for Proposals for developers of low-income housing units. We agreed that we need to work together to direct those development projects strategically to maximize their housing dollars with our service dollars. We need to know well in advance as to the number and location of units that are being developed. In addition, the City sees the value in the County having a say as to which clients should be housed once the units are completed. This is an opportunity to work together to get our most cost intensive clients off the street and into housing which we know results in cost avoidance.

Coordinate a Regional Approach

Your Board also requested that we recommend ways to strengthen the CEO's ability to coordinate and integrate Countywide homeless services delivery and prioritize services for targeting populations, that addresses the CEO's structural organization as it relates to oversight of homeless issues and whether the current homeless coordinator position should be upgraded or otherwise strengthened. In addition, you asked for an update on efforts to recruit a Countywide Homeless Coordinator.

As partner agencies continue to join the SNHA and work together on specific projects, relationships among agencies will become stronger. Yet, a facilitating body is necessary to bring together agencies to put together a plan of action to link efforts, identify roles, and coordinate decision making. Moreover, if the body helps foster relationships and joins key partners, a single plan of action can represent the vision of an entire region. The plan would build on existing regional infrastructure and lessons learned. For instance, an important lesson learned from the County's Homeless Prevention Initiative (HPI) is the need to better share information to make connections and link various efforts, ranging from

prevention to rapid re-housing. As we make more and better connections by braiding funds, integrating data systems, and having coordinated program entry and referral, a more comprehensive system of care and better service delivery will result. Simply, if we set a shared vision and know what others are doing, then we will know how to make connections to build a more integrated system that meets the multiple needs of clients. Therefore, the SNHA would play a critical role in bringing partners together in order to plan and implement a regional approach to preventing and reducing homelessness.

Regarding efforts to recruit a Coordinator, our office is currently assessing our resources. Furthermore, various HPI programs and the Recovery Act's Homelessness Prevention and Rapid Re-Housing Program focus on preventing homelessness to avoid significant costs. It is the County's intent to build upon these programs that support eviction prevention and pathways towards greater self-sufficiency. More linkages across programs would contribute to systems improvement and result in better outcomes for residents.

Address Cost Avoidance

Your Board also requested that we address the issue of cost avoidance and the impact on new NCC. Specifically, you requested that the impact to new NCC be addressed in terms of the proposed budget in April 2010, to prevent any competition with funding for mandated departmental core services.

Several recent reports have addressed cost avoidance as it relates to housing homeless persons. The Service Integration Branch - Research and Evaluation Services used data presented in the analytical report from its Adult Linkages Project to estimate that the County spends \$4.34 for every one-dollar spent on General Relief (GR) grants. The findings in the LAHSA's commissioned report, *Where We Sleep: Costs When Homeless and Housed in Los Angeles* conducted by the Economic Roundtable, which we submitted to your Board on November 29, 2009, provides you with detailed cost savings yielded through the provision of supportive housing through SRHT. These are major cost avoidance findings based on analyses of administrative records for over 10,000 GR recipients using services provided by the County DHS, DMH, Probation, DPH, DPSS, and the Sheriff. The findings reported show that while the typical public cost for residents in supportive housing is \$605 per month, the typical monthly public cost for a similar chronic homeless person without housing is \$2,897, which is five times higher.

The "*Where We Sleep*" report provides a wealth of information about the public costs incurred by homeless populations served by the County. The report not only showed that there are significant savings when homeless individuals enter and stay in Permanent Supportive Housing, but it also found that the greatest cost savings were achieved by the Skid Row Collaborative and Project 50. This means that future funding for permanent supportive housing should focus on projects that target the most vulnerable and use a "Housing First" approach.

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Significant progress has been made to develop collaborative working partnerships with multiple public and private agencies and philanthropic organizations. It is the County's intent to work with the SNHA to put together an action plan with a timeline that would continue to align resources, while at the same time not increase NCC and maximize resources to serve homeless individuals and families. As more information becomes available, we will keep your Board apprised and we will provide a status report in 60 days.

If you have any questions, please contact me, or your staff may contact Kathy House at (213) 974-4129 or via e-mail at khhouse@ceo.lacounty.gov.

WTF:JW
KH:VD:hn

c: Executive Officer, Board of Supervisors
 Acting County Counsel
 Sheriff
 Director of Children and Family Services
 Director of Community Development Commission
 Director of Health Services
 Director of Mental Health
 Director of Public Health
 Director of Public Social Services
 Director, Housing Authority of the City of Los Angeles
 Director, Skid Row Housing Trust